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BEFORE THE ARIZONA CORPORATION COMMISSION

BOB STUMP
Chairman
GARY PIERCE
Commissioner
BRENDA BURNS
Commissioner
BOB BURNS
Commissioner
SUSAN BITTER SMITH
Commissioner

Arizona Corporation Commission

DOCKETED

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IN THE MATTER OF THE APPLICATION
OF BOOMERANG WIRELESS, LLC FOR
DESIGNATION AS A WIRELESS
ELIGIBLE TELECOMMUNICATIONS
CARRIER IN THE STATE OF ARIZONA
(LOW INCOME ONLY).

DOCKET NO. T-20861A-12-0415

DECISION NO. 73998

ORDER

Open Meeting
July 17 and 18, 2013
Phoenix, Arizona

BY THE COMMISSION:

FINDINGS OF FACT

1. On September 24, 2012, Boomerang Wireless, LLC ("Boomerang" or the "Company") filed an Application requesting designation as an Eligible Telecommunications Carrier ("ETC") pursuant to Section 214(e) of the Telecommunications Act of 1996 (the "1996 Act"), 47 U.S.C. § 214(e) and implementing rules of the Federal Communications Commission ("FCC"), including 47 C.F.R. §§ 54.201 through 54.207.

2. In its Application, Boomerang requests that the Arizona Corporation Commission ("ACC" or "Commission") designate it as a wireless ETC for the purpose of receiving federal Universal Service Fund ("FUSF") support for low-income customers only, specifically Lifeline¹,

¹ Federal Lifeline Assistance provides discounts on basic monthly service at the primary residence for qualified telephone subscribers. The federal support amount provided to the ETC is \$9.25.

1 for prepaid wireless services. Boomerang is not requesting high cost support or on a wireline
2 basis.

3 3. On March 1, 2013, Boomerang filed its informational tariff regarding its proposed
4 eligible telecommunications service in Arizona and indicated that Lifeline services will be
5 provided in Arizona by Boomerang Wireless, LLC d/b/a enTouch Wireless.

6 4. On April 4, 2013, Boomerang filed an Amendment to its Application containing an
7 amended Exhibit A to its Application. The amended Exhibit A now identifies the requested
8 designation area by wire center and includes certain Federally-Recognized Tribal Lands that are
9 not served by Tribally-owned carriers.

10 5. On May 6, 2013, Boomerang and the Arizona Local Exchange Carriers Association
11 (“ALECA”) filed a stipulation concerning Boomerang’s Application.

12 **BACKGROUND**

13 Boomerang is an Iowa limited liability company with its principal offices located at 955
14 Kacena Road, Suite A, Hiawatha, Iowa 52233. Boomerang proposes to provide wireless Lifeline
15 services through the resale of Commercial Mobile Radio Service (“CMRS”) provided by other
16 wireless carriers such as Sprint, Verizon, and T-Mobile.² Boomerang currently provides prepaid
17 wireless services to more than 350,000 subscribers³, including more than 50,000 retail customers⁴
18 and has been granted ETC designation to provide wireless Lifeline services in eight (8)
19 jurisdictions.⁵ Boomerang currently has Applications pending to provide wireless Lifeline services
20 in eighteen (18) jurisdictions⁶ excluding Arizona. For its proposed designated service area,
21 Boomerang provided a list of wire centers in which it will provide service and identified the
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23 ² See Boomerang’s Response to Staff’s First Set of Data Requests, dated February 13, 2013, at PJG 1.4.

24 ³ See Boomerang’s Response to Staff’s First Set of Data Requests, dated February 13, 2013, at PJG 1.2.

25 ⁴ See Boomerang’s Application, Page 8, Paragraph 2.

26 ⁵ See Application, Page 2, Page 3 and Response to Staff Email dated November 14, 2012: Iowa, Louisiana, Maryland,
Michigan, Oklahoma, South Carolina, West Virginia, and Wisconsin.

27 ⁶ See Application, Page 2 Footnote 1, Page 3 and Response to Staff Email dated November 14, 2012: Arkansas,
Colorado, Georgia, Indiana, Kansas, Massachusetts, Mississippi, Ohio, and Pennsylvania. Boomerang also has a
28 pending petition, in WC Docket No. 09-197 (filed December 29, 2010), before the FCC for granting ETC designations
in Alabama, Connecticut, Delaware, New Hampshire, New York, North Carolina, Tennessee, Virginia and the District
of Columbia.

1 incumbent local exchange carrier(s) ("ILECs") serving each wire center in amended Exhibit A
2 filed April 4, 2013. Both non-rural and rural ILECs provide wireline service within these areas.

3 6. On February 6, 2012, the FCC released an Order in FCC 12-11, *Lifeline and Link Up*
4 *Reform and Modernization ("Lifeline Reform Order")*⁷, in which the FCC adopted comprehensive
5 reforms to the low-income program to revise and modernize the Lifeline service requirements and
6 implement measures to address fraud, waste and abuse of the FUSF. Within that Order, the FCC
7 found that a grant of blanket forbearance of the requirement that an ETC use its own facilities
8 ("the own-facilities requirement") subject to certain public safety and compliance obligations, was
9 appropriate for carriers seeking to provide Lifeline-only service.⁸ Specifically, in the *Lifeline*
10 *Reform Order*, the FCC states it will conditionally grant forbearance from the Act's Section
11 214(e)(1)(A) facilities requirement to all telecommunications carriers seeking Lifeline-only ETC
12 designation, subject to the following conditions: (1) compliance with certain 911 and enhanced
13 911 (E911) public safety requirements; and (2) FCC Wireline Competition Bureau approval of a
14 compliance plan providing specific information regarding the carrier and its service offerings and
15 outlining the measures the carrier will take to implement the obligations contained in the *Order*.⁹

16 7. On March 1, 2012, Boomerang submitted its initial Compliance Plan to the FCC in
17 order to benefit from the "blanket forbearance" of the own-facilities requirement used to provide
18 Lifeline services. Boomerang submitted its last revision to its Revised Compliance Plan ("RCP")
19 on July 26, 2012, making changes as the result of discussions with FCC Staff. On August 8, 2012,
20 in DA 12-1286, the FCC issued a Public Notice¹⁰ approving Boomerang's RCP. A copy of the
21 approved RCP and Notice of Approval was attached as Exhibit C to Boomerang's Application.

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24 ⁷ *In the Matter of Lifeline and Link Up Reform and Modernization, Report and Order and Further Notice of Proposed Rulemaking*, WC Docket No. 11-42, FCC 12-11, released February 6, 2012 ("*Lifeline Reform Order*").

25 ⁸ *Ibid.*, at paras. 368-381.

26 ⁹ *See id.* at paras. 373 and 389. Subsequently, the Bureau provided guidance for carriers submitting compliance plans pursuant to the *Lifeline Reform Order*. *Wireline Competition Bureau Provides Guidance for the Submission of Compliance Plans Pursuant to the Lifeline Reform Order*, WC Docket Nos. 09-197 and 11-42, Public Notice, 27 FCC Rcd 2186 (Wireline Comp. Bur. 2012).

27 ¹⁰ *See* "Wireline Competition Bureau Approves the Compliance Plans of Birch Communications, Inc.; Boomerang Wireless, LLC; IM Telecom, LLC; Q Link Wireless, LLC; and TAG Mobile, LLC"; Public Notice from FCC Wireline Competition Bureau, WC Docket Nos. 09-197 and 11-42 (rel. August 8, 2012).

1 REQUIREMENTS FOR DESIGNATION AS AN ETC AND BOOMERANG'S
2 COMPLIANCE WITH THE REQUIREMENTS

3 8. Designation as an ETC makes a carrier eligible to receive federal universal service
4 funds. The requirements for designation of ETCs are specified by federal law in 47 U.S.C. §
5 214(e)(1), which states:

6 “A common carrier designated as an eligible telecommunications carrier under paragraph
7 (2) or (3) shall be eligible to receive universal service support in accordance with section
8 254 and shall throughout the service area for which the designation is received: (A) offer
9 the services that are supported by Federal universal service support mechanisms under
10 section 254(c), either using its own facilities or a combination of its own facilities and
11 resale of another carrier’s services (including the services offered by another eligible
12 telecommunications carrier); and (B) advertise the availability of such services and the
13 corresponding charges using media of general distribution.”

14 9. In order to be designated as an ETC, a carrier must offer Lifeline service to all
15 qualifying low-income customers within its service area.¹¹ Lifeline service provides basic
16 telephone service, typically by passing on discounts to monthly telecommunications charges. As a
17 wireless reseller of prepaid wireless service, Boomerang is proposing to offer qualified customers
18 a free 911 compliant handset, five free Custom Calling features,¹² and the choice of two free
19 prepaid minutes calling plans.¹³ Boomerang also proposes to offer customers the capability of
20 purchasing additional bundles of minutes in a variety of denominations.¹⁴

21 10. As indicated above, the FCC granted Boomerang forbearance from the own-
22 facilities requirement that it provide service using its own facilities or a combination of its own
23 facilities and resale of another carrier’s service and also any criteria related to facilities build out
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25 ¹¹ 47 C.F.R. §§ 54.405 and 54.411(a)

26 ¹² See Application, page 7. Custom Calling features include: Caller ID, Call Waiting, Call Forwarding, 3-Way
Calling, and Voicemail.

27 ¹³ See RCP, page 23. Boomerang is offering Lifeline customers a choice of (1) 125 free units with monthly rollover
where 1 minute equals 1 unit and 1 text equals 1 unit; and (2) 250 free units with no rollover where 1 minute equals 1
unit and 1 text equals 1 unit. Units are not expended for calls to 911 or to Boomerang’s customer service.

28 ¹⁴ See RCP, page 23.

plans. Boomerang would be a Lifeline-only ETC, eligible only for Lifeline support and must meet all the other criteria required of ETCs.

A. OFFERING THE SERVICES DESIGNATED FOR SUPPORT

11. On December 23, 2011, the FCC adopted and released an Order on Reconsideration in which the FCC modified, on its own motion, the definition of “voice telephony”, as adopted in the *USF/ICC Transformation Order*.¹⁵ In that Order, the FCC reduced its former list of nine supported services to four supported services and amended 47 C.F.R. § 54.101 to specify the “voice telephony services” supported by federal universal service support mechanisms.¹⁶

12. 47 C.F.R. § 54.101, sets forth the services that a carrier must offer in order to receive Federal universal service fund support. The services and Boomerang’s response to the provision of each service are as follows:

(a) Voice grade access to the Public Switched Network. “Voice grade access to the Public Switched Network” is defined as a functionality that enables a user of telecommunications services to transmit voice communications, including signaling the network that the caller wishes to place a call, and receive voice communications, including receiving a signal indicating there is an incoming call. For purposes of this Part, bandwidth for voice grade access should be, at a minimum, 300 to 3,000 Hertz. Boomerang states¹⁷ that it will meet this requirement by offering resale services provided by its underlying reputable carriers of Sprint, Verizon, and T-Mobile via resale agreements. The underlying carriers provide Boomerang’s subscribers access to the public switched network.

(b) Local usage. “Local usage” means minutes of use for local exchange service, prescribed by the Federal Communications Commission, provided free of charge to end users. Boomerang states¹⁸ that it meets this requirement by providing Lifeline calling plans that offer customers’ minutes of use for local service, issued on a monthly basis, and free of charge.

¹⁵ See *In the Matter of Connect America Fund, A National Broadband Plan for Our Future, Establishing Just and Reasonable Rates for Local Exchange Carriers, High-Cost Universal Service Support, Developing an Unified Intercarrier Compensation Regime, Federal-State Joint Board on Universal Service, Lifeline and Link-Up, Universal Service Reform-Mobility Fund*, WC Docket No. 10-90, GN Docket No. 09-51, WC Docket No. 07-135, WC Docket No. 05-337, CC Docket No. 01-92, CC Docket No. 96-45, WC Docket No. 03-109, WT Docket No. 10-208, Order on Reconsideration, FCC 11-189 (rel. Dec. 23, 2011) (*USF/ICC Transformation Order on Reconsideration*) at para. 3.

¹⁶ *Id.* at para. 78; see also *id.* App. A at 536 (revising section 54.101(a) of the Commission’s rules); see 76 FR 73830, 73870 (Nov. 29, 2011) (revising 47 C.F.R. § 54.101(a) with an effective date of December 29, 2011).

¹⁷ See Boomerang’s Response to Staff’s First Set of Data Requests, dated February 13, 2013, at PJG 1.8.

¹⁸ See Boomerang’s Application, Page 11 Response to Staff’s First Set of Data Requests, dated February 13, 2013, at PJG 1.8.

1 (c) Access to emergency services. "Access to emergency services" includes access to
2 services, such as 911 and enhanced 911, provided by local governments or other public
3 safety organizations. 911 is defined as a service that permits a telecommunications
4 user, by dialing the three-digit code "911", to call emergency services through a Public
5 Safety Access Point ("PSAP") operated by the local government. "Enhanced 911" is
6 defined as 911 service that includes the ability to provide automatic numbering
7 information ("ANI"), which enables the PSAP to call back if the call is disconnected,
8 and automatic location identification ("ALI"), which permits emergency service
9 providers to identify the geographic location of the calling party. "Access to emergency
10 services" includes access to 911 and enhanced 911 services to the extent the local
11 government in an eligible carrier's service area has implemented 911 or enhanced 911
12 systems. Boomerang states that it "will provide access to emergency services provided
13 by local government or public safety officials, including 911 and Enhanced 911, where
14 available and will comply with any Commission requirements regarding E911-
15 compatible handsets."¹⁹

16 (d) Toll Limitation for Qualifying Low-Income Consumers. "Toll limitation denotes
17 either toll blocking or toll control for eligible telecommunications carriers that are
18 incapable of providing both services. For eligible telecommunications carriers that are
19 capable of providing both services, 'toll limitation' denotes toll blocking and toll
20 control."²⁰ In the *Lifeline Reform Order* the FCC relieved ETCs of the obligation to
21 offer toll limitation services if their Lifeline offering does not distinguish in the pricing
22 of toll and non-toll calls.²¹ Boomerang's wireless calling plans do not distinguish
23 between non-toll (i.e., local) and toll. None of Boomerang's service plans offered to
24 low-income consumers includes any fee for toll calls. Boomerang's prepaid plans
25 include a specific number of minutes that cannot be exceeded. Therefore, customers
26 cannot incur any charges for excessive toll calling or be disconnected for non-payment.

13. In its Application, Boomerang states it has the ability to provide all the supported
services and functionalities required in the proposed ETC designated service area to all subscribers
taking service under its Lifeline plan through arrangements with its underlying carrier. Based on
the above information and explanations, Staff believes that Boomerang meets this ETC
designation criteria.

20 B. ADVERTISING OF SUPPORTED SERVICES

21 14. 47 U.S.C. § 214(e)(1)(B) requires a common carrier designated as an eligible
22 telecommunications carrier to advertise the availability of such services and the corresponding
23 charges using media of general distribution. Boomerang states that it will advertise the availability
24 and corresponding prices of its Lifeline services through a combination of media channels, such as
25 in person direct contact through its neighborhood event marketing distribution team, which
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27 ¹⁹ See Application, page 11.

28 ²⁰ 47 C.F.R. § 54.400(d).

²¹ *Lifeline Reform Order*, ¶238.

1 includes 691 retail locations in Arizona, point of sale materials, brochures, banners, onsite
2 merchandising, as well as from Boomerang's website and other online outlets.²² Advertisements
3 will be in both English and Spanish. Boomerang submitted examples of advertisements²³ to Staff.
4 In addition, Budget submitted an example of its English advertisement in its RCP to the FCC.²⁴

5 15. Based on the information above and Boomerang's advertising materials provided to
6 Staff, Staff concludes that Boomerang will advertise the availability of its supported services and
7 the corresponding charges using media of general distribution as required by 47 U.S.C. §
8 214(e)(1)(B). Staff believes that Boomerang meets this ETC designation criteria.

9 **C. ADDITIONAL ETC REQUIREMENTS**

10 16. In addition to the requirements listed above, the FCC adopted, in the *Lifeline Reform*
11 *Order*, comprehensive reforms to the low-income program to revise and modernize the Lifeline
12 service requirements and implement measures to address fraud, waste, and abuse within the
13 system. Below are the additional requirements and Boomerang's response to each requirement.

14 **C.1 A Commitment and Ability to Provide Supported Services**

15 17. In 47 C.F.R. § 54.202(a)(1)(i) and (ii), the FCC required the applicant to:

16 (i) Certify that it will comply with the service requirements applicable to the
17 support that it receives; and

18 (ii) Submit a five-year plan that describes with specificity proposed improvements
19 or upgrades to the applicant's network throughout its proposed service area. Each
20 applicant shall estimate the area and population that will be served as a result of the
21 improvements. Except, a common carrier seeking designation as an eligible
22 telecommunications carrier in order to provide supported services only under
23 subpart E of this part does not need to submit such a five-year plan.²⁵

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26 ²² See Application, Page 13, and Exhibit H, and RCP, Page 22.

27 ²³ See Boomerang's Response to Staff's First Set of Data Requests, dated February 13, 2013, at Attachment A for
Boomerang's Spanish version, and see Exhibit H of the RCP for Boomerang's English version.

28 ²⁴ See Exhibit H of the RCP.

²⁵ *Lifeline Reform Order*, ¶ 386.

18. Per the requirements of 47 C.F.R. § 54.202(a)(1)(i), Boomerang certifies that it will comply with the service requirements applicable to the low-income support it receives as a result of being designated as an ETC for purposes of receiving Lifeline.²⁶ Boomerang states²⁷ that it commits to providing Lifeline service throughout its requested designated service area and commits to providing Lifeline service in a timely manner to all customers who make a reasonable request for service pursuant to the FCC Rules. The requirement directing submissions of a formal network improvement plan under 47 C.F.R. § 54.202(a)(1)(ii) demonstrating how universal service funds will be used to improve coverage, signal strength, or capacity that would not otherwise occur absent the receipt of high-cost support, does not apply to this Application because the FCC waived the facilities-based requirements for Boomerang.

19. Based on the above information, Staff believes that Boomerang meets this ETC designation criteria.

C.2 Remain Functional in Emergency Situations

20. In 47 C.F.R. § 54.202(a)(2), the FCC outlines the requirement that an ETC applicant demonstrate its ability to remain functional in emergency situations. Specifically, “an applicant must demonstrate that it has a reasonable amount of back-up power to ensure functionality without an external power source, is able to reroute traffic around damaged facilities, and is capable of managing traffic spikes resulting from emergency situations.”²⁸

21. Boomerang states²⁹ that it provides service to its customers through the use of facilities obtained from other carriers and that the underlying carriers have the required capabilities in place to remain functional in emergency situations, including access to a reasonable amount of back-up power to ensure functionality without an external power source, re-routing of traffic around damaged facilities, and the capability of managing traffic spikes resulting from emergency situations. In addition to the underlying carriers back-up systems, Boomerang has also created its

²⁶ See Application, page 14.

²⁷ See Application, page 14.

²⁸ *Federal-State Joint Board on Universal Service, CC Docket No. 96-45, Report and Order, FCC 05-46* (rel. March 17, 2005) (“ETC Minimum Requirements Report and Order”), ¶ 25.

²⁹ See Application, page 14.

own back-up systems housed in a data center which includes a reinforced concrete building with fully redundant power and heating, ventilation and air conditioning systems ("HVAC"), a controlled temperature and humidity environment, fire-threat detection and suppression, year-round critical monitoring and secure access with biometric security to ensure full functionality in the event of a loss of power or network functionality.³⁰ Therefore, through its underlying carrier(s) and through Boomerang's own back-up systems, Boomerang states that it has the ability to remain functional in emergency situations.

22. Based on the above information, Staff concludes that Boomerang has demonstrated its ability to remain functional in emergency situations by maintaining a reasonable amount of back-up power. Staff believes that Boomerang meets this ETC designation criteria.

C.3 Satisfy Consumer Protection and Service Quality Standards

23. In 47 C.F.R. § 54.202(a)(3), the FCC requires an ETC applicant to demonstrate its commitment to meeting consumer protection and service quality standards in its application...³¹ The sufficiency of other commitments will be considered on a case-by-case basis.

24. To demonstrate its ability to satisfy consumer protection and service quality standards, Boomerang states³² that it commits to satisfying all applicable state and federal requirements related to consumer protection and service quality standards. To demonstrate its commitment to high service quality, Boomerang states it will comply with both the protection of Customer Proprietary Network Information ("CPNI") as required by federal law and with the CTIA – Wireless Association® Consumer Code for Wireless Service as required by 47 C.F.R. § 54.202(a)(3). Boomerang affirms its commitment to satisfy applicable consumer protection and service quality standards if certified as an ETC.

25. Based on the above information, Staff believes that Boomerang meets this ETC designation criteria.

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³⁰ See Application, page 14.

³¹ ETC Minimum Requirements Report and Order, ¶ 28.

³² See Application, page 15.

C.4 Lifeline-Only ETC Applicants – Financial and Technical Capability

26. In 47 C.F.R. § 54.202(a)(4), the FCC requires a Lifeline-only ETC applicant to demonstrate that it is financially and technically capable of providing the Lifeline service in compliance with subpart E of this part. In the *Lifeline Reform Order*³³ the FCC provides guidance on specific information to be considered when determining if an applicant meets this requirement:

“...Among the relevant considerations for such a showing would be whether the applicant previously offered services to non-Lifeline customers, how long its has been in business, whether the applicant intends to rely exclusively on USF distributions to operate, whether the applicant receives or will receive revenue from other sources, and whether it has been subject to enforcement action or ETC revocation proceedings in any state.”

27. To demonstrate that Boomerang is financially and technically capable of providing Lifeline service, Boomerang states³⁴ that it has been providing telecommunications services since January 17, 2008 (five years) and currently derives the majority of its revenue from reselling wireless telecommunications services. Boomerang states it will not need to rely exclusively on USF support to provide wireless Lifeline services. As noted on page 1 above, Boomerang currently has ETC designation to provide wireless Lifeline services in eight (8) jurisdictions and has Applications pending to provide wireless Lifeline services in eighteen (18) jurisdictions. Two of Boomerang’s senior management team members have a combined total of thirty-seven (37) years of experience in the telecommunications industry. Further, it has not been subject to any enforcement action at the FCC or in any state and that no ETC designations held by Boomerang have been rescinded, revoked or terminated by the FCC or by any state.³⁵

28. Having reviewed the financial statements of Boomerang’s parent company, HH Ventures, LLC, the technical experience of Boomerang’s senior management, and based on the above information, Staff believes that Boomerang meets this ETC designation criteria.

³³ See *Lifeline Reform Order*, ¶388.

³⁴ See Boomerang’s Response to Staff’s First Set of Data Requests, dated February 13, 2013, at PJG 1.10 and PJG 1.12.

³⁵ See Boomerang’s Response to Staff’s First Set of Data Requests, dated February 13, 2013, at PJG 1.13 and PJG 1.14.

C.5 Lifeline-Only ETC Applicants – Terms and Conditions of Lifeline Service Plans

29. In 47 C.F.R. § 54.202(a)(5), the FCC requires an ETC applicant to submit information describing the terms and conditions of any voice telephony service plans offered to Lifeline subscribers, including details on the number of minutes provided as part of the plan, additional charges, if any, for toll calls, and rates for each such plan. To the extent the ETC offers plans to Lifeline subscribers that are generally available to the public, it may provide summary information regarding such plans, such as a link to a public Web site outlining the terms and conditions of such plans.

30. Boomerang provided Staff with its informational tariff³⁶ in which it describes the calling plans for Lifeline subscribers, including the number of free minutes in each calling plan, along with the terms and conditions of Lifeline service as provided by Boomerang. As indicated in its informational tariff, service will be provided in Arizona by Boomerang Wireless, LLC d/b/a enTouch Wireless. Based on the information contained in Boomerang's informational tariff, Staff believes that Boomerang meets this ETC designation criteria.

D. STEPS TO LIMIT FRAUD, WASTE AND ABUSE OF THE FUSF

31. In the *Lifeline Reform Order* the FCC adopted various new measures and revised or eliminated other existing measures in order to limit fraud, waste and abuse of the Federal Universal Service Fund ("FUSF"). These measures include establishing uniform eligibility criteria to qualify for Lifeline services, clarifying the restriction of one Lifeline telephone allowed per household, initial certification and annual re-certification of consumer eligibility, establishing a national lifeline accountability database to ensure and enforce the one-per-household requirement, total elimination of toll limitation support for wireless carriers and a tapered elimination of toll limitation support for landline ETCs, elimination of the Link Up subsidy except on Federally-Recognized Tribal Lands and establishing additional provisions for USAC audits.

...

³⁶ See Boomerang's Notice of Filing, Dated March 1, 2013, in Docket No. T-20861A-12-0415.

32. In its Application and its RCP, Boomerang outlines the steps it will take to limit fraud, waste and abuse of the FUSF and to comply with all applicable Lifeline requirements and implement measures to prevent fraud, waste, and abuse.

E. PUBLIC INTEREST DETERMINATION

33. Under Section 214 of the Act, the FCC and state commissions must determine that an ETC designation is consistent with the public interest, convenience and necessity for rural areas. They also must consider whether an ETC designation serves the public interest consistent with Section 254 of the Act. Congress did not establish specific criteria to be applied under the public interest tests in Sections 214 or 254. The public interest benefits of a particular ETC designation must be analyzed in a manner that is consistent with the purposes of the Act itself, including the fundamental goals of preserving and advancing universal service; ensuring the availability of quality telecommunications services at just, reasonable, and affordable rates; and promoting the deployment of advanced telecommunications and information services to all regions of the nation, including rural and high-cost areas.³⁷ Accordingly, before designating a carrier as an ETC, the Commission must make an affirmative determination that such designation is in the public interest, regardless of whether the applicant seeks designation in an area served by a rural or non-rural carrier.

34. Boomerang states that by designating it as a wireless ETC in Arizona, it will serve the public interest and the needs of low-income customers in Arizona by increasing customer choice in the areas it serves. The public interest benefits associated with Boomerang's wireless service include larger local calling areas (as compared to traditional wireline carriers), the convenience portability, and security afforded by mobile telephone service, the opportunity for customers to receive a high-value wireless plan and emergency services in accordance with FCC Rules. Additionally, ETC status will promote universal service by allowing Boomerang to offer wireless service to many low-income customers who may not be able to otherwise have service. Boomerang's Lifeline calling plans are designed to provide service to Lifeline consumers who, due

³⁷ ETC Minimum Requirements Report and Order, ¶ 40.

1 to credit or deposit requirements, may not be able to obtain telephone service from more traditional
2 wireline and wireless service providers.

3 **F. DESIGNATED SERVICE AREA**

4 35. The Commission must establish a geographic area for the purpose of determining
5 universal service obligations and support mechanisms for each designated ETC. *See* 47 U.S.C. §
6 214(e)(2); 47 C.F.R. § 54.201(b). Boomerang requests that the Commission designate it as an
7 ETC for service areas in Arizona. Through resale of wireless service provided by Sprint, Verizon,
8 T-Mobile and other providers in Arizona, Boomerang will provide Lifeline service in many wire
9 centers in the State of Arizona.

10 36. There are a number of wire centers that encompass both tribal lands and non-tribal
11 lands. Some of the tribal lands are served by tribally-owned telephone companies and some of the
12 tribal lands are served by non-tribally owned telephone companies. For those wire centers that
13 encompass tribal lands, Boomerang requested to serve the non-tribal areas of each wire center and
14 to serve tribal lands within the service areas of Commission regulated telephone companies and
15 cooperatives only after receiving any and all necessary licenses or other forms of approval that
16 might be required by any Tribe and filing a copy of such licenses or other form of approval with
17 the Commission, with a copy to ALECA's undersigned counsel. Attachment 1 of the
18 Recommended Opinion and Order contains the list of wire centers to be served by Boomerang.

19 **G. REPORTING REQUIREMENT FOR PREPAID WIRELESS**
20 **DEACTIVATIONS**

21 37. Staff recommends that Boomerang be required to provide a quarterly report to the
22 ACC, to be filed in Docket Control as a Compliance item, summarizing the total number of
23 customers with periods of inactivity greater than 60 days, but did not cancel service with
24 Boomerang, are no longer qualified for Lifeline service or who voluntarily deactivate service
25 during that quarter. The purpose of this report is to monitor the number of deactivated customers
26 so that Boomerang does not continue to receive Lifeline reimbursement per handset for these
27 customers every month from the Universal Service Administrative Company ("USAC"). In
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1 compiling the data for these reports, Boomerang must comply with 47 C.F.R. §54.405(e)(3), in
2 which the FCC outlines the de-enrollment policy for non-usage and 47 C.F.R. §54.407(c), in
3 which the FCC defines activities that constitute usage. The quarterly report must also include the
4 total number of Lifeline customers and, as separate items, the number of customers who
5 voluntarily relinquish their Boomerang provided Lifeline service, the number of customers who do
6 not annually recertify their eligibility for Lifeline services and the number of customers
7 deactivated for 60 days of inactivity.

8 **ARIZONA LOCAL EXCHANGE CARRIERS ASSOCIATION**

9 38. The Arizona Local Exchange Carriers Association is an association of telephone
10 companies and member-owned cooperatives providing local exchange telecommunications
11 services to customers in rural, high cost areas of Arizona. All of ALECA's members are "rural
12 telephone companies" as defined by the Communications Act of 1934, as amended (the "Act") 47
13 U.S.C. § 153(37). ALECA represents telephone companies and cooperatives that are regulated by
14 the Commission as well Tribally-owned telephone companies which are not regulated by the
15 Commission.

16 **JOINT STIPULATION**

17 39. On May 6, 2013, ALECA and Boomerang filed a Stipulation in the docket. In the
18 Stipulation, to address the potential concerns expressed by ALECA, Boomerang agreed not to
19 provide Lifeline service to eligible residents residing on Federally-Recognized Tribal Lands in
20 Arizona until Boomerang obtained any and all necessary licenses or other forms of approval that
21 might be required by any Tribe and file a copy of such licenses or other form of approval with the
22 Commission in this docket and a copy to ALECA's undersigned counsel. In addition, Boomerang
23 agreed that its Lifeline enrollment application for Arizona will require an applicant to provide a
24 street address and include a provision that requires an applicant to self-certify under penalty of
25 perjury that they do not reside on Federally-Recognized Tribal Lands or to identify the Federally-
26 Recognized Tribe on the lands of which he or she resides.

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40. Therefore, Staff's understanding is that the only Federally-Recognized Tribal Lands that are included in the Joint Stipulation are those served by Commission regulated telephone companies and cooperatives and for which Boomerang obtained any and all necessary licenses or other forms of approval that might be required by any Tribe.³⁸

STAFF RECOMMENDATIONS

41. In addition to the conditions set forth by the FCC, Staff recommends Boomerang's Application for designation as an ETC be granted subject to the following conditions:

- a. Boomerang shall file a tariff, in this docket, setting forth the rates, terms and conditions for its Lifeline service within thirty (30) days of a Commission Order in this matter;
- b. Boomerang shall notify the Commission, through Docket Control, of any future changes to its rates, terms and/or conditions regarding its Lifeline offerings and file such changes in its tariff and amend its tariff in compliance with A.R.S. § 40-367;
- c. Boomerang shall make available Lifeline services to qualifying low-income applicants in its ETC service area no later than ninety (90) days after a Commission decision and concurrently notify the Commission, by making a filing in Docket Control, in this docket, of the commencement for such services;
- d. Boomerang shall apprise the Commission of any customer complaints that may arise from its ETC service offerings by making a filing in Docket Control in this docket;
- f. Boomerang shall provide a regulatory contact to the Commission by making a filing in Docket Control in this docket;
- g. In the event that Boomerang requests to relinquish its ETC status and no longer provide Lifeline services, it must provide notice to both the Commission and its customers. Such notice(s) shall be in accordance with A.A.C. R14-2-1107;
- h. Boomerang shall submit in Docket Control an annual report by April 15th of each year, beginning April 15, 2014, that contains its total number of Lifeline subscribers and the total amount of Federal USF support received as of December 31 of the previous calendar year and include an affidavit stating that the Lifeline discounts or the equivalent are equal to the amount of total Federal USF support received per line. The annual filing shall be submitted as a compliance item in this docket;

³⁸ In order to provide Lifeline services on Federally-Recognized Tribal Lands served by Tribally-owned telephone companies, Boomerang would need to petition the FCC for ETC designation in order to receive FUSF reimbursement.

- i. Boomerang shall submit in Docket Control, as a compliance item in this docket, a quarterly report detailing the total number of Lifeline customers, the total number of customers removed from the customer base due to 60-day inactivity, the number of customers removed from the customer base due to annual verification and the total number of customers who voluntarily relinquished Lifeline service. In compiling the data for these reports, Boomerang must comply with 47 C.F.R. §54.405(e)(3), in which the FCC outlines the de-enrollment policy for non-usage and 47 C.F.R. §54.407(c), in which the FCC defines activities that constitute usage. The quarterly report should be submitted as a compliance item in this docket on the 15th of the month following the end of each calendar quarter, beginning January 15, 2014, or with the first complete quarter following the offering of prepaid Lifeline calling plans, whichever is earlier;
- j. In the event of a Transfer of control that involves Boomerang, a new ETC petition shall be filed with the Commission. This will ensure ETCs undergoing reorganization remain financially viable and able to provide the supported services throughout the designated service areas as originally approved by the Commission;
- k. Boomerang shall not expand its Lifeline service beyond the designated service area specified in this Application without acquiring ETC designation from the Commission to serve the additional area;
- l. Boomerang shall not provide Lifeline service to eligible residents residing on Federally-Recognized Tribal Lands in Arizona, served by Commission regulated telephone companies and cooperatives, until after Boomerang has obtained any and all necessary licenses or other forms of approval that might be required by any Tribe and filed a copy of such licenses or other form of approval with the Commission in this docket, with a copy to ALECA's undersigned counsel.

CONCLUSIONS OF LAW

1. Boomerang Wireless, LLC is a telecommunications company as defined in A.R.S. § 40-201(46) and is a "telecommunications carrier" as defined in 47 U.S.C. § 153(51). Boomerang is also a reseller of Commercial Mobile Radio Service as defined in 47 U.S.C. § 20.3 and A.A.C. R14-2-1201(8).

2. The Commission has jurisdiction over the subject matter of the Application.

3. Under 47 U.S.C. § 214(e)(1), a common carrier that is designated as an Eligible Telecommunications Carrier must, throughout its designated service area, offer the services that are supported by the Federal Universal Service Support mechanisms either by using its own facilities or a combination of its own facilities and resale of another carrier's services. The carrier

1 must also advertise the availability of such services and the rates for the services using media of
2 general distribution.

3 4. Under 47 U.S.C. § 214(e)(2), the Commission must establish the geographic area
4 for the purposes of determining universal service obligations and support mechanisms.
5 Boomerang's Application applies to the service area consisting of each rate center as listed in
6 Attachment 1.

7 5. Boomerang meets the requirements for ETC designation under 47 U.S.C. § 214 and
8 C.F.R. § 54.201 *et seq.*, subject to Boomerang's compliance with the conditions set forth in
9 Finding of Fact No. 41 herein.

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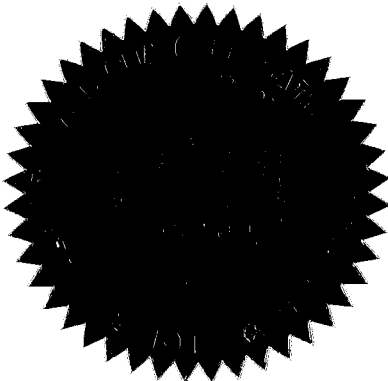
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ORDER

IT IS THEREFORE ORDERED that the Application of Boomerang Wireless, LLC for designation as an Eligible Telecommunications Carrier pursuant to U.S.C. § 214(e)(1) for the purpose of receiving federal universal service support in Arizona, for the designated service area set forth in Attachment 1 attached hereto and incorporated herein by reference, be and hereby is approved, subject to Boomerang Wireless, LLC's compliance with the conditions set forth in Finding of Fact No. 41 above.

IT IS FURTHER ORDERED that if Boomerang Wireless, LLC. does not comply with the requirements of Finding of Fact No. 41, its designation as an ETC may be revoked after due process.

IT IS FURTHER ORDERED that this Decision shall become effective immediately.

BY THE ORDER OF THE ARIZONA CORPORATION COMMISSION
CHAIRMAN
COMMISSIONER
COMMISSIONER
COMMISSIONER
COMMISSIONER

IN WITNESS WHEREOF, I, JODI JERICH, Executive Director of the Arizona Corporation Commission, have hereunto, set my hand and caused the official seal of this Commission to be affixed at the Capitol, in the City of Phoenix, this 30th day of July, 2013.


JODI JERICH
EXECUTIVE DIRECTOR

DISSENT: _____

DISSENT: _____

SMO:PJG:sms\MAS

SERVICE LIST FOR: BOOMERANG WIRELESS, LLC
DOCKET NO. T-20861A-12-0415

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ATTACHMENT 1

ATTACHMENT 1

SHORT SWITCH	OCN NAME	RURAL(Y/N)	RC/ABBRE
AGFIAZSR	QWEST CORPORATION	N	PHOENIX
ASFKAZMA	QWEST CORPORATION	N	FLAGSTAFF
AZCYAZ03	QWEST CORPORATION	N	CASAGRANDE
BCKYAZMA	QWEST CORPORATION	N	PHOENIX
BISBAZMA	QWEST CORPORATION	N	BISBEE
BLCNAZMA	QWEST CORPORATION	N	PHOENIX
BNSNAZMA	QWEST CORPORATION	N	BENSON
BNSNAZSD	QWEST CORPORATION	N	BENSON
BRDSAZMA	QWEST CORPORATION	N	PHOENIX
CHNDAZMA	QWEST CORPORATION	N	PHOENIX
CHNDAZSO	QWEST CORPORATION	N	PHOENIX
CHNDAZWE	QWEST CORPORATION	N	PHOENIX
CHVYAZMA	QWEST CORPORATION	N	PRESCOTT
CLDGAZMA	QWEST CORPORATION	N	CASAGRANDE
CMVRAZMA	QWEST CORPORATION	N	SEDONA
CMVRAZRR	QWEST CORPORATION	N	SEDONA
CRCYAZNM	QWEST CORPORATION	N	PHOENIX
CRNDAZMA	QWEST CORPORATION	N	TUCSON
CSGRAZMA	QWEST CORPORATION	N	CASAGRANDE
CTWDAZMA	QWEST CORPORATION	N	SEDONA
CTWDAZSO	QWEST CORPORATION	N	SEDONA
CVCKAZMA	QWEST CORPORATION	N	PHOENIX
DGLSAZMA	QWEST CORPORATION	N	DOUGLAS
DRVYAZNO	QWEST CORPORATION	N	PHOENIX
ELOYAZ01	QWEST CORPORATION	N	CASAGRANDE
FLGSAZEA	QWEST CORPORATION	N	FLAGSTAFF
FLGSAZMA	QWEST CORPORATION	N	FLAGSTAFF
FLGSAZSO	QWEST CORPORATION	N	FLAGSTAFF
FLRNAZMA	QWEST CORPORATION	N	CASAGRANDE
FTMDAZMA	QWEST CORPORATION	N	PHOENIX
FTMDAZNO	QWEST CORPORATION	N	PHOENIX
GDYRAZCW	QWEST CORPORATION	N	PHOENIX
GLBNAZMA	QWEST CORPORATION	N	GILA BEND

GLDLAZMA	QWEST CORPORATION	N	PHOENIX
GLOBAZMA	QWEST CORPORATION	N	GLOBE
GNVYAZMA	QWEST CORPORATION	N	TUCSON
GRCNAZMA	QWEST CORPORATION	N	GRANDCANYON
HGLYAZMA	QWEST CORPORATION	N	PHOENIX
HGLYAZQC	QWEST CORPORATION	N	PHOENIX
HMBLAZMA	QWEST CORPORATION	N	PRESCOTT
JSCYAZMA	QWEST CORPORATION	N	WINSLOW
LTPKAZMA	QWEST CORPORATION	N	PHOENIX
MARNAZ02	QWEST CORPORATION	N	TUCSON
MARNAZ03	QWEST CORPORATION	N	TUCSON
MARNAZMA	QWEST CORPORATION	N	TUCSON
MAYRAZMA	QWEST CORPORATION	N	PRESCOTT
MESAAZGI	QWEST CORPORATION	N	PHOENIX
MESAAZMA	QWEST CORPORATION	N	PHOENIX
MIAMAZMA	QWEST CORPORATION	N	GLOBE
MMTHAZMA	QWEST CORPORATION	N	SAN MANUEL
MRCPAZMA	QWEST CORPORATION	N	CASAGRANDE
MSPKAZMA	QWEST CORPORATION	N	FLAGSTAFF
NGLSAZ03	QWEST CORPORATION	N	NOGALES
NGLSAZMA	QWEST CORPORATION	N	NOGALES
NGLSAZMW	QWEST CORPORATION	N	NOGALES
NWRVAZMA	QWEST CORPORATION	N	PHOENIX
ORCLAZMA	QWEST CORPORATION	N	SAN MANUEL
PHNXAZ81	QWEST CORPORATION	N	PHOENIX
PHNXAZBW	QWEST CORPORATION	N	PHOENIX
PHNXAZCA	QWEST CORPORATION	N	PHOENIX
PHNXAZEA	QWEST CORPORATION	N	PHOENIX
PHNXAZGR	QWEST CORPORATION	N	PHOENIX
PHNXAZLV	QWEST CORPORATION	N	PHOENIX
PHNXAZMA	QWEST CORPORATION	N	PHOENIX
PHNXAZMR	QWEST CORPORATION	N	PHOENIX
PHNXAZMY	QWEST CORPORATION	N	PHOENIX
PHNXAZNE	QWEST CORPORATION	N	PHOENIX

PHNXAZNO	QWEST CORPORATION	N	PHOENIX
PHNXAZNW	QWEST CORPORATION	N	PHOENIX
PHNXAZPP	QWEST CORPORATION	N	PHOENIX
PHNXAZPR	QWEST CORPORATION	N	PHOENIX
PHNXAZSE	QWEST CORPORATION	N	PHOENIX
PHNXAZSO	QWEST CORPORATION	N	PHOENIX
PHNXAZSY	QWEST CORPORATION	N	PHOENIX
PHNXAZWE	QWEST CORPORATION	N	PHOENIX
PINEAZMA	QWEST CORPORATION	N	PAYSON
PLMNAZMA	QWEST CORPORATION	N	BISBEE
PRSCAZEA	QWEST CORPORATION	N	PRESCOTT
PRSCAZMA	QWEST CORPORATION	N	PRESCOTT
PRVYAZPP	QWEST CORPORATION	N	PHOENIX
PTGNAZEL	QWEST CORPORATION	N	NOGALES
PTGNAZMA	QWEST CORPORATION	N	NOGALES
PYSNAZMA	QWEST CORPORATION	N	PAYSON
SCDLAZMA	QWEST CORPORATION	N	PHOENIX
SCDLAZSH	QWEST CORPORATION	N	PHOENIX
SCDLAZTH	QWEST CORPORATION	N	PHOENIX
SEDNAZMA	QWEST CORPORATION	N	SEDONA
SEDNAZSO	QWEST CORPORATION	N	SEDONA
SMTNAZMA	QWEST CORPORATION	N	SOMERTON
SNMNAZMA	QWEST CORPORATION	N	SAN MANUEL
SPRSAZEA	QWEST CORPORATION	N	PHOENIX
SPRSAZMA	QWEST CORPORATION	N	PHOENIX
SPRSAZWE	QWEST CORPORATION	N	PHOENIX
SRVSAZMA	QWEST CORPORATION	N	SIERRAVIST
SRVSAZNO	QWEST CORPORATION	N	SIERRAVIST
SRVSAZSO	QWEST CORPORATION	N	SIERRAVIST
STFDAZMA	QWEST CORPORATION	N	CASAGRANDE
TCSNAZCA	QWEST CORPORATION	N	TUCSON
TCSNAZCO	QWEST CORPORATION	N	TUCSON
TCSNAZCR	QWEST CORPORATION	N	TUCSON
TCSNAZEA	QWEST CORPORATION	N	TUCSON

TCSNAZFW	QWEST CORPORATION	N	TUCSON
TCSNAZMA	QWEST CORPORATION	N	TUCSON
TCSNAZML	QWEST CORPORATION	N	TUCSON
TCSNAZNO	QWEST CORPORATION	N	TUCSON
TCSNAZRN	QWEST CORPORATION	N	TUCSON
TCSNAZSE	QWEST CORPORATION	N	TUCSON
TCSNAZSO	QWEST CORPORATION	N	TUCSON
TCSNAZSW	QWEST CORPORATION	N	TUCSON
TCSNAZTV	QWEST CORPORATION	N	TUCSON
TCSNAZWE	QWEST CORPORATION	N	TUCSON
TEMPAZMA	QWEST CORPORATION	N	PHOENIX
TEMPAZMC	QWEST CORPORATION	N	PHOENIX
TLSNAZMA	QWEST CORPORATION	N	PHOENIX
TNCKAZMA	QWEST CORPORATION	N	PAYSON
TUBCAZMA	QWEST CORPORATION	N	TUCSON
VAILAZNO	QWEST CORPORATION	N	TUCSON
VAILAZSO	QWEST CORPORATION	N	TUCSON
WCBGAZMA	QWEST CORPORATION	N	WICKENBURG
WHTKAZMA	QWEST CORPORATION	N	PHOENIX
WHTLAZMA	QWEST CORPORATION	N	WHITLOW
WLCXAZMA	QWEST CORPORATION	N	WILLCOX
WLMSAZMA	QWEST CORPORATION	N	FLAGSTAFF
WLTNAZMA	QWEST CORPORATION	N	YUMA
WNBGAZ01	QWEST CORPORATION	N	PHOENIX
WNSLAZMA	QWEST CORPORATION	N	WINSLOW
YRNLAZMA	QWEST CORPORATION	N	WICKENBURG
YUMAAZFT	QWEST CORPORATION	N	YUMA
YUMAAZMA	QWEST CORPORATION	N	YUMA
YUMAAZSE	QWEST CORPORATION	N	YUMA
BLCYAZXC	CITIZENS UTILITIES RURAL DBA FRONTIER UT RURAL	Y	BULLHEADCY
BLMSAZXF	NAVAJO COMM CO INC - AZ DBA FRONTIER NAVAJO COM	Y	BLACK MESA
BOWIAZXC	VALLEY TELEPHONE COOPERATIVE, INC.	Y	BOWIE
CHNLAZXC	NAVAJO COMM CO INC - AZ DBA FRONTIER NAVAJO COM	Y	CHINLE
CIBLAZXC	FRONTIER COMMUNICATIONS OF THE SOUTHWEST INC - AZ	Y	CIBOLA

SNSMAZXC	VALLEY TELEPHONE COOPERATIVE, INC.	Y	SAN SIMON
SNWFAZXC	CITIZENS TELECOM CO OF WHT MTNS INC.	Y	SNOWFLAKE
STMCAZXE	NAVAJO COMM CO INC - AZ DBA FRONTIER NAVAJO COM	Y	WINDOWROCK
TBCYAZXC	NAVAJO COMM CO INC - AZ DBA FRONTIER NAVAJO COM	Y	TUBA CITY
TNBSAZXC	ARIZONA TELEPHONE CO.	Y	ROOSEVLTlk
TNPSAZXR	NAVAJO COMM CO INC - AZ DBA FRONTIER NAVAJO COM	Y	TEECNOSPOS
TOYIAZXC	NAVAJO COMM CO INC - AZ DBA FRONTIER NAVAJO COM	Y	TOYEI
TSILAZXC	NAVAJO COMM CO INC - AZ DBA FRONTIER NAVAJO COM	Y	TSaILE
WDRNAZXC	NAVAJO COMM CO INC - AZ DBA FRONTIER NAVAJO COM	Y	WIDE RUINS
WIKPAZXC	CITIZENS UTILITIES RURAL DBA FRONTIER UT RURAL	Y	WIKIEUP
YUCCA ZXC	CITIZENS UTILITIES RURAL DBA FRONTIER UT RURAL	Y	YUCCA